

## GWYNEDD COUNCIL CABINET



<b>Date of meeting:</b>	<b>15 December 2020</b>
<b>Relevant Cabinet Member:</b>	<b>Councillor Craig ab Iago</b>
<b>Contact Officer:</b>	<b>Dafydd Gibbard - Head of Housing and Property Department</b>
<b>Title of Item:</b>	<b>Housing Action Plan</b>

### Decision sought

The Cabinet is requested -

- a) To approve the projects noted in the Housing Action Plan for the period from now to 2026/27.
- b) To further approve the allocation recommended for the individual projects, within the financial envelope that has already been approved for the field of work, and up to the total resources that will have already been gathered.
- c) In order to allow for flexibility when responding to changes in the housing market over time, authorise the Head of Housing and Property Department, in consultation with the Cabinet Member for Housing and Property Department and the Head of Finance Department, to vary the exact allocation for individual projects as information about the costs of individual projects, and the demand for various types of support, become firmer over time.

### Background

1. At its meeting on 18 July 2019, the Council adopted its Housing Strategy which notes the following vision:

*"Ensure that the people of Gwynedd have access to a suitable home of a high standard, that is affordable and improves their quality of life."*

2. The Strategy identified five objectives that needed to be addressed if the Council was to deliver this vision:

1. No one is homeless in Gwynedd
2. Social housing available to all who need one
3. Everyone's home in Gwynedd is affordable to them
4. Gwynedd Housing are environmentally friendly
5. Homes having a positive influence on the health and well-being of the

## people of Gwynedd

3. The purpose of this report is to outline how we as a Council will attempt to address the above objectives between now and 2026/27, i.e. the end of the next Council term.
4. A little over a year ago, the Council established the new Housing and Property Department as we had identified the need to achieve more in the field of housing. We all know that Gwynedd residents are currently facing a number of challenges, which means that it is extremely challenging to gain access to suitable housing within our communities. The Council has clearly stated that this is not a sustainable situation, and that we need to respond in every way possible.
5. We know that a new set of measures will be required, a number of which are currently beyond the direct control of the Council, if we are to be able to achieve genuine fairness for local residents in the field of housing. This Housing Action Plan is one of these measures and allows us to aim to directly act to the best of our abilities in order to attempt to reconcile the current situation. We also acknowledge that we will continue to campaign for further national changes in order to strengthen our ability to work within Gwynedd and we will continue to do so at every possible opportunity in the field of housing, taxation, licensing and planning.
6. Therefore, in order to ensure that we take every opportunity within our direct control in the field of housing, the new Housing Action Plan is included in Appendix A, which includes 33 various projects tailored in an attempt to respond to each of our objectives in this field.
7. The journey of drawing up the Plan started by holding a consultation workshop with all members of staff within the Housing Service to take advantage of their many years of experience of attempting to provide suitable housing for the people of Gwynedd. It is great to see that the finished Plan includes a number of specific projects that address some of the frustrations they have faced over the years in their everyday work.
8. Input was also received from many of the Council internal departments and a number of the projects in the final Plan offer solutions to some of the complex housing situations they currently face, especially so in the Children Department and the Adults Department.
9. This field was also pre-scrutinised very early on in the process and the Care Scrutiny Committee set up a Task Group to look in more detail on some of the potential solutions and attempt to prioritise them in terms of the impact and practicality. Their input was of great assistance to be able to identify the type of plans that can make the greatest difference to improve the opportunities of Gwynedd residents to live in suitable housing in their communities.
10. Advantage was also taken of the opportunity to consult, receive evidence and share ideas with many outside groups and establishments that have been active in the field of housing during the past years. A consultation was also held with the Local Housing Associations, which form the Gwynedd Housing Partnership, and we are looking forward to working with them in order to be able to deliver some of the projects included in this Plan.

11. The whole purpose of this scheme is to establish specific projects to give Gwynedd residents a fair opportunity to secure suitable homes. It follows that equality issues are at the heart of the whole Plan. In accordance with the Council's statutory duties through the Equality Act 2010, an equality impact assessment of the Plan as a whole has been completed and further details can be found in Appendix B. The assessment has informed and reinforced ' the proposed schemes.
12. The principles of the Well-being of Future Generations (Wales) Act 2015 have been a central consideration in the preparation of the Action Plan. The principles and 'Five ways of working' are integral to the plans to respond and meet the housing needs of the people of Gwynedd, in a sustainable way and without undermining people's future well-being. The proposed plans are designed to work in an innovative and preventative way to try and reduce and avoid problems evolving in the future. Appendix A highlights the interconnectedness and contribution of the various plans towards achieving each of the well-being goals.

### Funding the Action Plan

13. This Plan is a composite plan of all housing activities across the Council, and therefore it will be funded from various funding sources. The ability to create this Housing Action Plan mainly derives from the decision to establish a Council Tax Premium for second homes. This creates a new income stream for the Council as well as the opportunity to reinvest this entire income in order to improve our ability to make a difference in the field of Housing.
14. From the information available to us today, it is estimated that the following funding streams will be available in order to fund the projects included in our Housing Action Plan:

Funding source	Sum over the Plan period
Council Tax Premium	£22.9M
Social housing grant	£21.7M
Other specific grants	£2.6M
Housing Support Grant	0.2M
Council Assets Management Plan	£14.3M
<i>*Loans</i>	<i>£15.4M</i>
<b>Total</b>	<b>£77.1M</b>

15. Please note that the *\*Loans* element will be the subject of a separate report and business case that will be submitted to the Cabinet for approval in the coming weeks.
16. Based on the above, we can therefore estimate that the Council will invest a minimum of £77M in matters involving housing during the period of this Housing Action Plan.
17. In reality, the total investment in housing for local people in Gwynedd will be much higher than this as the above sums do not include the financial contributions that will come from the direction of the Housing Associations as they invest their own money to correspond with the grants that will be referred to them by the Council.

18. It is also noted that the figure for 'other Grants' reflects our success in attracting specific grants in the current year only, and we have not included any objective from our ability to succeed to attract more grants in future, despite the fact that we are confident in our ability to do so.
19. In terms of the spending profile, the fact that this is the third year for the Council Tax Premium to increase, and that its expenditure is currently sparse, means that we will be able to profile the expenditure to be in-keeping with the timeline of receiving the income.
20. For some plans, a staff resource and capacity will be required in order to realise them. In such instances, this will already be included in the sums allocated for the various projects, and there will be no additional cost for this.
21. The housing market and the demand for a different type of support will certainly change over the Plan period. We will therefore group the financial allocations for some specific plans in order to be able to respond swiftly and flexibly in accordance with the need, e.g. we will create one allocation to build our own houses, the Empty Homes Grant, Help to Buy grant and the contribution to innovative housing business cases (plans 3a, 3dd, 3f and 4b in the Housing Action Plan) and the Purchase of former social housing plan and the Purchase of Private Housing plan (plans 2c and 3b) in order to respond to the actual demand at the time, rather than having to be bound to financial allocations that will be based on today's demand.

### **Legal Powers**

22. We have received legal advice on the powers available to the Council for the implementation of all these schemes. In particular, Part 9 of the Housing Act 1985 empowers the Council, as a "Housing Authority" to provide housing by acquiring land for construction, house building, and house purchase. This is the main legal power we will use to deliver this plan. This power is specifically linked to a Housing Revenue Account, and the Welsh Government is reviewing guidance on Councils' rights to buy and build without re-opening a Revenue Account. Discussions on this will continue with the Welsh Government. If there are changes, then we will need to consider the impact of any new guidance in the context of the specific plans and return with an additional specific report to Cabinet.
23. We are also considering using powers under Part 2 of the Local Government Act 2000 as the schemes promote and improve economic, social and environmental well-being in Gwynedd. This may apply when providing intermediate / affordable housing. Use of this power is subject to further advice and specific justification, and a further report on this matter will be required should the need arise.
24. The Council will need to draw up and adopt a new policy for the allocation of intermediate / affordable housing in accordance with the requirements of Part 167 of the Housing Act 1996. It will be necessary to establish an allocation policy which outlines the priorities and arrangements to be followed in allocating the houses. There is a specific legal process to follow when formulating such a policy.

25. Specialist legal advice on the aspects noted above will be required to ensure that the plans comply with legal requirements

### **Allocations for the projects**

26. As outlined in paragraph 2 above, the Housing Strategy identifies five objectives that need to be met if the vision in this field is to be realised. The Strategy explains the need and elaborates on the demand that has led to establishing the five objectives.
27. Below is a short summary of the needs and the demand that leads to each individual objective, and then a summary of the specific projects to address each objective. Full details of these projects can be seen in the Housing Action Plan in Appendix A, as well as the financial sum recommended for allocation if each project is to be delivered.

### **Objective 1 - No one is homeless in Gwynedd**

28. At present, the Council receives between 80 and 90 homelessness submissions each month, and the figure is significantly on the rise in light of the social and economic impacts of Covid-19. Currently, there are approximately 160 individuals, couples and families placed in unsuitable temporary accommodation. This pattern is a national pattern and is not unique to Gwynedd, and we have been very successful over the year in attracting a substantial grant by Welsh Government to help us respond to the situation.

29. Therefore, in order to ensure that no one is homeless in Gwynedd, we will:

- Develop 38 Supported Housing units for the homeless across the county.
- Develop 5 specific supported accommodation units for homeless young people in the Gisda building and the former Natwest bank in Caernarfon (which will include redeveloping the current restaurant in order to provide more employment opportunities).
- Develop 5 specialist units for homeless individuals with intensive social needs.
- Provide a support pack for private landlords that will persuade them to let 100 units to the Council, rather than letting their houses on short-term contracts or as holiday lets.
- Provide professional support to up to 200 individuals who are facing mental health challenges which puts them at risk of losing possession of their home and becoming homeless.
- Develop 6 additional supported housing accommodation in Arfon in order to cope with the increasing demand in this area.

30. The abovementioned will lead to a total of 154 new living units for the homeless in Gwynedd, and we will help another 200 to be able to remain in a secure tenancy in their current homes.

### **Objective 2 - Social housing available to all who need one**

31. At present, over 2,000 Gwynedd residents have registered for social housing, with high demand in Bangor, Caernarfon, Dolgellau, Llŷn, Porthmadog and Tywyn. The average waiting

time before being offered social housing is consistently over 400 days. There is a lack of one and two bedroom housing stock in particular, however the demand is high for all types of dwellings.

32. By working together, and providing clear strategic guidance to the local Housing Associations, we can work in partnership to ensure that we can maximise our Social Housing Grant allocation from Welsh Government in order to be able to provide more housing to meet the current high demand.
33. As we have already adopted the new Local Allocation Policy, we will be able to ensure that these houses are allocated to Gwynedd residents.
34. Therefore, in order to attempt to ensure that social housing is available to everyone who needs one in Gwynedd, we will:
  - Work in partnership with the Housing Associations in order to maximise the outputs from our social housing grant allocation and provide additional funding from our own resources in order to develop up to 500 new social housing to let in accordance with our Local Allocation Policy.
  - Work in partnership with the owners (Clwyd Alyn Housing Association) to ensure that the Penrhos Polish Home receives a substantial investment in order to re-develop the existing 95 living units (beyond the care home) into new homes of high quality for local residents. We will work with the local community in order to ensure that what we offer on site is based on the local need.
  - Re-purchase **72** of our own former social housing in order to add them to the social housing stock in order to be able to let them on tenancy to Gwynedd residents in accordance with the Local Allocation Policy (a separate business case will be submitted to Cabinet before implementing this project).
35. The abovementioned will lead to a total of 667 new social housing for Gwynedd residents.

### **Objective 3 - That everyone's home in Gwynedd is affordable to them**

36. The latest Local Housing Market Assessment outlines what has emerged in the vast majority of Gwynedd communities today, namely that the average house prices are beyond the reach of the residents of these communities. 59% of Gwynedd residents have been priced out of the local housing market, and the gap between the intermediate income and the income required to be able to borrow a sufficient sum to buy a home in Gwynedd is increasing.
37. As already noted in paragraph 4 and 5 of this report, we will depend on national changes by the central Government if we are to truly meet this objective. However, in the meantime, this Housing Action Plan has an important contribution to make and, in order to assist the residents of Gwynedd to be able to purchase homes in their local communities, we will:

- Develop 100 new houses of our own that will be sold to first-time buyers (or rented on an intermediate rent) for a reduced price by using the equity sharing model (or placing a legal charge on the property title) in order to ensure that they are within the reach of Gwynedd salary levels.
- Commission advice from specialist advisors to see whether it is possible to ensure additional benefits by setting up a local housing company in order to act in this field.
- Purchase 36 properties from the private market and let them on intermediate rent levels to local people.
- Complete an assessment of the need for different types of houses in Gwynedd by working with communities to establish the actual need.
- Review our arrangements on applications to remove a local person condition on former Council houses and, consequently, create an opportunity for up to 20 local people to be able to buy a house for an affordable price.
- Trial a project that has been set up by the Development Bank of Wales on behalf of the Government to promote self-build plots, and trial up to six plots initially.
- Provide financial support to 250 local first-time buyers that will assist them to buy and renovate empty homes.
- Provide up to 120 individuals who are first-time buyers and who have bought an empty house an additional year of Council tax exemption in order to give them enough time to complete the necessary renovation work to bring the home back to use.
- Assist up to 100 first-time buyers with a financial contribution towards their mortgage deposit or another element of the cost of buying a home in Gwynedd.
- Purchase land in order to be able to continue with housing developments for local people in the future once we will have used our current supply of sites.
- Contribute financially to support up to 12 local economic regeneration projects if they include living units the Council could allocate for local people.
- Offer support and advice to owners who wish to let or sell their houses to local people, rather than putting them on the open market.

38. The abovementioned will lead to facilitating a total of 524 affordable housing for the residents of Gwynedd.

#### **Objective 4 - Gwynedd Housing are environmentally friendly**

39. The nature of construction, average age of the housing stock and the lack of energy infrastructure in Gwynedd mean that many are living in fuel poverty. In 2018, a national

survey showed that Gwynedd had the highest percentage (23%) of houses in fuel poverty in Wales.

40. Therefore, in order to ensure that Gwynedd Housing is environmentally friendly we will:

- Establish a new energy conservation service to assist and lead renewable energy and energy conservation projects by local community groups or by private housing owners.
- Complete a pilot scheme of four living units with Passivhaus technology, and attempt to use this technology in other projects if successful.
- Contribute towards the financial gap in business cases for innovative housing projects that will either be developed by us or by our partners.

#### **Objective 5 - Homes having a positive influence on the health and well-being of the people of Gwynedd**

41. The housing needs of many groups of individuals within our county are much more complex than the concept of living independently in a normal dwelling. We know that the county's population is ageing, and that we will see an increase of 60% in the number of residents over 80 years old in the next 20 years. The nature and construction of a high percentage of the housing stock in the county is unsuitable for the needs of those less physically able, and we have statutory responsibilities and moral aspirations to be able to house children with specialist medical needs.

42. In order to attempt to provide suitable homes for every cohort of residents in our communities, we will:

- Develop **4** units that will be used to support individuals in our care as a corporate parent.
- Develop **72** new extra care units for the elderly in three locations across the county.
- Contribute financially in order to ensure **28** additional living units as part of the new health hub project in Penygroes.
- Provide financial aid to modify up to **15** homes that will be used to support adults with profound needs.
- Provide funding to ensure that we can support **15** children with severe and complex needs who need substantial modifications to new houses in order to be able to continue living at home with their families.
- Ensure that the Frondeg, Caernarfon development can be realised by providing a suitable home for **17** adults with severe learning disabilities.
- Issue loans in order to be able to support up to **25** individuals on a low income to deal with emergency repair work to their houses in order for them to be able to continue living there.



- Assist up to **2000** individuals to carry out minor alterations to their homes in order for them to be able to live there independently.
  - Complete substantial alterations to **900** homes in order to ensure that they are suitable for individuals with disabilities to be able to continue living there.
43. The abovementioned will lead to the creation of 136 new living units for the vulnerable residents of our county, and will ensure that we will offer direct support to nearly 3,000 individuals to ensure that they can continue to live independently in their homes.

### **Conclusions**

44. In addition to the above, we will also establish a new Housing Help Desk to assist Gwynedd residents with any case across the five challenges in the field of housing, in order to be able to assist them to discover the solution that meets their needs.
45. No programmes of this size are risk-free, and we will certainly have a string of obstacles to overcome if we are to achieve all of this. However, to conclude, if the plan is adopted, then this will lead to providing over 1500 affordable homes for Gwynedd residents.
46. In addition to the above, we will also assist over 3,000 people to be able to continue living independently in their current homes.

**Views of the Local Member:** Not a local matter

### **Views of the Statutory Officers:**

#### **The Monitoring Officer:**

There is specific reference in the report to the legal matters which need to be addressed as the programme progresses. By its very nature there are legal processes and transaction which are attached to this work and some elements will be the subject of reports as the schemes are developed. This specialised input is a core mechanism to ensure the success and robustness of these key projects.

#### **Statutory Finance Officer:**

I have collaborated with the author to prepare the financial aspects and figures included in this report, and I can confirm that the funding for the Plan is in place. Therefore, I am satisfied that the Cabinet approves the projects and the financial allocation for the individual projects. The programme will be monitored regularly within the usual monitoring arrangements of the Finance Department, and will identify and amend any variation to the exact allocation if the need arises.

### **Appendices**

Appendix A - Housing Action Plan

Appendix B - Equality Assessment